

Yanks Seize Viru Harbor

Our Daily Bread

Sliced Thin by The Editor
—ALEX. H. WASHBURN—

Wallace Versus Jones
Theory and Practice

When Vice-President Wallace charged publicly that his Board of Economic Warfare was being scuttled by Jesse Jones' Reconstruction Finance Corporation it was not, as Mr. Roosevelt suggests, a quarrel "smoked up by the newspapers," but a clash of differences as fundamental as the men themselves.

Pay-As-You-Go Income Tax Plan Starts Today

Washington, July 1 —(AP)— Pay-as-you-go income tax deductions went into effect for all wage and salary earners today as the government embarked on a new fiscal year that will cost it the unprecedented sum of \$109,000,000,000.

Through payroll deductions the treasury hereafter will keep most taxpayers substantially up to date on their share of that figure — a share that grows yet still remains only a small fraction of the total. Virtually no clad assurances have been given that for the rest of this year at least the 20 per cent will be withheld from paychecks after personal exemptions will not be increased.

But the rate may go up beginning next January as a result of conferences now in progress among treasury officials, congressional leaders and Stabilization Director Fred M. Vinson.

Secretary Morgenthau already has indicated the treasury will seek \$12,000,000,000 in additional taxes, and Randolph Paul, treasury general counsel, said in a speech at Newark yesterday that the greater part of new tax revenue must be drawn from personal incomes.

The yield from pay-as-you-go to the present 20 per cent levy is estimated at \$16,000,000,000 — for the current fiscal year — an increase of \$3,000,000,000 over previous estimates.

More than a third of that increase, however, or \$1,100,000,000, will come from collection next March 15 of one-half of the unabated portion of 1942 tax liability. Treasury experts say another billion of the increase will come from the higher income level this year over last and the remainder from the provision limiting abatement to the lower of 1942 or 1943 taxes.

Exemptions will be \$12 a week for single persons, \$24 a week for married taxpayers plus \$6 a week for each dependent.

Native County Man Dies At Local Hospital

John S. Hartsfield, 57, native resident of Hampstead county, died in a local hospital late last night as a result of a blow on the head suffered several weeks ago at a sawmill.

Funeral services are incomplete pending arrival of relatives. Burial will be at Holly Grove.

Besides his widow he is survived by his mother, Mrs. W. J. Hartsfield, 8 children, Leo, Jack, of Hope, John Hartsfield, Jr., of El Dorado, Harrell Hartsfield, of Camp Shelby, Miss., and Herbert of Hope; Mrs. S. L. Churchwell of Hope; Mrs. T. L. Conner of Los Angeles; Wilma Fay Hartsfield of Hope; 4 brothers, W. R. of Los Angeles, D. A. of Texarkana, Otis of Bay City, Texas, and Sam Hartsfield of Blevins; 4 sisters, Mrs. Nellie Alfrey of Logansport, Ind.; Mrs. Emory Huddleston of Nashville, Mrs. Leroy Samuels of DeAnn and Mrs. L. E. Salisbury of DeAnn.

Boners Mean Banquet At End of Season

KNOXVILLE, Tenn. (AP)—Skipper Buddy Lewis' "boner box" is raking in the cash of baseballers on the Knoxville Smokies Club. A boner costs the Southern Association players two bits apiece, and includes failure to drive in a run from third with none or one out or missing a sign from the manager, such as a bunt or hit-run.

The box has \$10 now and needs to say, it's growing. If the surplus is sufficient at the end of the season, after pop and peanuts are paid for, Manager Lewis may stage a banquet for the boys.

Blows On Axis Unparalleled In All History

—Europe

London, July 1 —(AP)— Striking from three directions, the military air arms of the American and British Allies subjected Axis Europe to a design of destruction unparalleled in all history during the month of June, and for the enemy the worst was still to come.

During the month, Allied aerial power reached out in rising fury from bases in Britain, in Northwest Africa and in the Middle East — with American and British fliers cooperating smoothly to keep the offensive going virtually around the clock.

These accomplishments stood out:

1. The unconditional surrender of the Italian fortress island of Pantelleria June 11, first island ever conquered by air power alone. The subsequent capitulation of Lampedusa, Linosa and Lampione, and the pattern of destruction spread over Italy, Sicily and Sardinia.

2. The great destruction wrought by the RAF in its city-by-city bombing of the Ruhr valley, to whose concentrated industries Hitler looks for replenishment of his war machine.

Also significant were the two American Liberator raids last week on Axis airfields near Athens and Salonika, an aerial pointer toward a possible Balkan invasion route, and inauguration by the RAF of a bombing shuttle service between Britain and Africa with an important raid on both the out-bound and homeward trips.

Available figures did not reveal the total weight of explosives dumped upon the European enemy during the month, but Capt. Sir Harold H. Balfour, under secretary of state for air, told the House of Commons yesterday that the RAF alone now is dropping bombs on Germany at three times the 1942 rate.

Reliable estimates placed the RAF's June bomb deluge delivered from homeland bases at a record 13,500 tons, topping by some 1,000 (Continued on Page Three)

Palermo, Air Fields On Sicily Blasted

By NOLAN NORGAARD
Allied Headquarters in North Africa, July 1 —(AP)— United States bombers and fighter-bombers of the Northwest African Air Force blasted Palermo and four Axis air fields on Sicily yesterday, virtually without opposition from enemy fighters, it was announced today.

(The Italian high command communiqué, broadcast from Rome and recorded by the Associated Press, reported "great damage and many casualties" at Palermo, a port of Northwest Sicily. Sardinian targets also were attacked, the communiqué said. Fires were reported started and several buildings destroyed in Cagliari.)

(Submarine pressure upon Axis supply lines continued. The London admiralty announced British submarines had destroyed a fast transport and three supply vessels and probably had sunk a fifth ship in Italian waters, boosting to more than 20 the number of enemy craft sunk or damaged in the Mediterranean during the last week.)

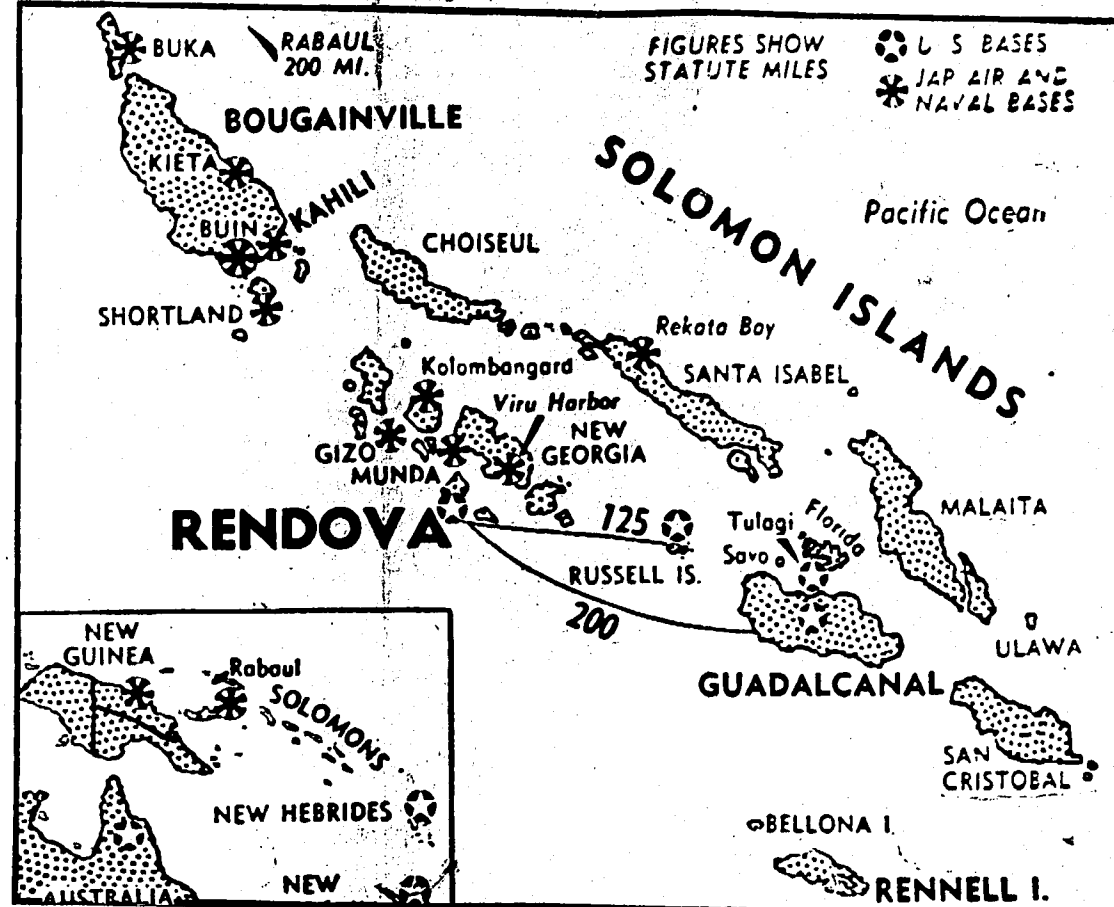
The attacks by Flying Fortress, Mitchells, Mustangs, Warhawks and Lightnings came after RAF Wellingtons, in a pre-dawn attack, smashed again at the ferry terminus and freight yards of Messina and also at the road south of San Giovanni and San Marco, on the nearby Italian mainland.

One two-ton bomb was among the explosives seen to burst in the Messina yards and many fires were observed. A large fire also developed south of San Giovanni. The American raids left fires blazing at air fields and many enemy planes were destroyed or damaged in dispersal areas.

"Today Italian laborers will be busy filling in the huge craters made on runways by heavy bombs," an official report added. At Palermo seven direct hits were scored on a large barracks. In a raid on the Sciacca air field a few enemy fighters were encountered and Lightnings shot down two while a third, a Messerschmitt 109, was destroyed by Italian anti-aircraft shells intended for the raiders.

Flying Fortresses, which made (Continued on Page Three)

Today's War Map



This telemap shows the location of Rendova, new island attacked by the United States in the Solomons.

Reds Storm Enemy Lines, Kill 100 Nazis

London, July 1 —(AP)— A strong Red army scouting party, storming across a river into German trenches after laying a barrage on the positions, blew up two German blockhouses and other enemy installations in a sector of the western front, the Soviet noon communiqué announced today.

More than 100 Germans were killed in the fighting, the communiqué said. The area was in the hands of the Red Army, the communiqué said.

The communiqué said a German reconnaissance in force was a thrust back on the Volkhov front, south of Leningrad, and the Germans also lost a plane shot down by a Russian crew employing an anti-tank fire.

Five German bombers and two fighter planes were shot down out of a formation of nine bombers and three fighters that attempted to raid a town west of Rostov and two more German bombers were brought down in the Leningrad area by gunners on a Soviet armored train which the Germans attempted to attack, the Russians said.

Earlier, on the Leningrad front, Red Army artillery wiped out attacking German infantrymen, the Russians announced.

A Moscow broadcast early today bore out German radio claims that the Kuban area of the Caucasus was stirring with new activity. Russian fliers were said to have pounded at Taman, on the Kerch strait opposite the Crimea, and the Germans asserted their fliers were smashing at Russian shipping in the Black Sea and in the Sea of Azov.

The Russians also hinted they had submarines operating in the Black Sea.

The Russian midnight communiqué declared at least 1,000 Germans were killed and barracks and munitions were blown up in a Red Air Force raid June 23 on Pskov, near the Estonian border. On an airdrome three miles away, 12 German planes were destroyed on the ground, the bulletin said.

British military observers, remarking on the lull in warfare on the eastern front, which today entered its fourth month declared both sides had built defenses so strong that any quick breakthrough either began an offensive.

However, a London report that 50 German divisions had been ordered away from the Soviet front to guard a western invasion battle line, was challenged by Pravda, the Communist party newspaper in Moscow.

Cost Him Record

Berkeley, Calif. (AP)— Hal Davis, 100-yard dash speed king, believes some of the old track rules should be changed, particularly the one about starting blocks. He made a world's record of 9.4 for the hundred but it wasn't altered because he used a type of starting block which did not permit his toes to touch the ground.

30,000 Miners Return Leaving 100,000 Out

Pittsburgh, July 1 —(AP)— An estimated 30,000 miners trooped back to work today in the hard and soft coal regions and the number of approximately idle in the producing fields dropped to around 100,000 — less than one-fifth of the country's miners.

The upsurge in the "go to work" drive was felt mainly in Pennsylvania, the biggest producing state, where about 120,000 of the 200,000 miners were on the job.

The improvement came about after meetings by many United Mine Workers locals yesterday and last night, at which votes were taken to resume their tasks, and an appeal by Secretary Ickes last night that they return to work.

The biggest gain came from the hard coal fields in eastern Pennsylvania, where the vast majority of 40,000 men in the big No. 1 district of UMW went back. All but 30,000 of 83,000 hard coal miners were working.

Alabama reported about 6,000 of its 24,000 union miners were working, an increase of 2,000 over yesterday. Gains also occurred in western Pennsylvania. Outside of Pennsylvania, the effects of the strike which started June 29 had disappeared largely except in Alabama, with about 18,000 still idle. The prolonged walkout there was reflected in a 20 per cent cut in steel production. Scattered holdouts also remained on strike in Virginia, Arkansas and Tennessee.

The last 200 holdouts in Indiana, which has 8,000 miners, returned to work.

(Delete Indiana from struck states in previous sentence.)

Reports indicated many mines would work the Monday Independence Day holiday at time and a half pay.

Secretary Ickes in a radio address last night appealed to the miners not to stay away from their jobs "on the eve of the greatest military campaign in history." The solid fuels administrator, custodian of the nation's mines, said "the complaints of no man or group of men" could be placed above the nation's military goal.

Asked why the warning was being repeated at this time, Speaker replied the reminder was timely on any occasion, no more so now than at other times except that "the war is approaching a vigorous summer, and anything can happen."

DeValera Re-elected Eire Prime Minister

Dublin, July 1 —(AP)— Eamon DeValera was reelected Prime Minister of Eire today by a vote of 67 to 37 in the first meeting of the Dail since the general election of June 22.

His opponent was William Cosgrave, leader of the opposition Fine Gael party.

The vote was taken after DeValera had opposed a suggestion to suspend the party system until after the emergency and to replace it in the interim with a national government.

Allies Sought To Freeze Command

London, July 1 —(AP)— Prime Minister Churchill disclosed to the House of Commons today both the American and British governments had asked General Charles de Gaulle and General Giraud June 16 for assurances there would be no important change in the French command in North Africa at present.

The prime minister also declared the two French leaders had been asked to satisfy Gen. Dwight A. Eisenhower, Allied commander-in-chief in North Africa, that the present French military commander in that area, Gen. Giraud, had effective control of the French forces there.

The assurance was requested, Churchill added, "in view of the prolonged discussions between the French leaders in Algiers on questions involving the character and control of the French armed forces and the serious effect which this might have on the furtherance of the war effort and the safety of Allied forces."

The presentation of the French Committee of National Liberation, the prime minister said, "was made on military grounds and implied no decision to invest Eisenhower with full control over the political organization in North Africa."

Although diplomatic in tone the prime minister's statement appeared to confirm the Washington dispatch of June 27 by Kyrle Simpson of the Associated Press, based on information from very high but unidentifiable sources, concerning the North African situation.

(Simpson wrote: "The Washington government was revealed tonight as ready to back up General Eisenhower, Allied supreme commander in French Africa, to the limit in whatever steps he may find necessary to eliminate any threat to success created by the political controversy between Generals Charles de Gaulle and Henri Giraud, heading rival French factions.")

(Simpson added "the Washington government expects General Eisenhower to tolerate in North Africa no DeGaulleist or other French activities" which would delay execution of Allied military projects in that area, jeopardize Allied supply lines or undermine the morale of the forces commanded by General Giraud.)

(Simpson quoted one high informant as saying that full British cooperation was assured.)

Increase In Welfare Cases Reported

Little Rock, July 1 —(AP)— The State Welfare Department mailed \$22,410.50 today to 32,860 cases, an increase of 124 cases over last month and 64 cases over July, 1942.

The distribution included \$381,734 to 26,203 old age pensioners; \$120,901 to 5,454 dependent children; \$19,775.50 to 1,203 blind.

The average July grant was \$15.90. Old age pensioners got an average of \$14.57, dependent children \$22.17 and blind pensioners \$16.44.

Shoot Down 65 Nip Planes in Fierce Battle

—Washington

By JOHN M. HIGHTOWER
Washington, July 1 —(AP)— American invaders of the Central Solomons have captured "Viru" harbor, near Japan's Munda airbase, the Navy announced today, after a fierce sea and air battle off Rendova island in which at least 65 enemy aircraft, 17 United States planes and one United States ship were lost.

Viru, a port village, had been used by the Japanese as an outpost for Munda, which lies about 30 nautical miles to the northwest on New Georgia island, and had also been employed as a place for landing supplies. Its loss by the enemy marks the first specific American territorial triumph in the currently developing offensive, of which the drive in the Central Solomons is only one part.

The other part is being conducted by General Douglas MacArthur's forces striking northward in the New Guinea area toward the great Japanese base of Rabaul, toward which the offensive in the Solomons also is pointed.

Secretary of War Stimson said at a press conference today the operations were progressing satisfactorily according to plan under the general direction of MacArthur but added strong enemy reaction was expected.

The first such reaction, the Navy communiqué disclosed, came Wednesday morning a few hours after American troops landed from naval transports on Rendova island, five miles south of Munda.

The Japanese, at that time, counter-attacked with a force estimated at 110 planes of many types, fighters, Mitsubishi medium bombers, Aichi dive bombers and various others, including torpedo planes.

The attacks continued from against United States naval forces the morning until late afternoon, putting troops and supplies ashore.

Under the heavy hail of enemy fire, anti-aircraft fragments and shell bursts the landing units continued their operations while American ships and planes battled the Japanese sky forces. Sixty-five of the enemy planes were shot down, "according to an incomplete report, and 17 United States planes were reported missing.

Torpedo planes of the Japanese squadrons caught the 7,712-ton transport McCawley, formerly the Grace line's Santa Barbara, and disabled her after she had put her troops ashore. Subsequently the crippled vessel was assaulted and sunk by a Japanese submarine.

"Reports indicate that all personnel were removed before the vessel sank and that there was no loss of life," the communiqué said. American air forces the communiqué brought up, also played a major role in the starting of the offensive in the Solomons area.

Tuesday night (Solomons time) Avenger torpedo bombers and Dauntless dive bombers heavily attacked the Japanese airfield, stores and camp areas at Vila, Kolombangara island, in the Munda area.

Wednesday morning Mitchell medium bombers, Dauntless and Avenger bombers attacked Japanese defensive positions and the camp area at Munda itself and the communiqué said a large fire was started. "There was no mention of attacks on Japanese ships or shipping."

The Navy said the captain of the American ship lost was Commander Robert Henry Rodgers, 41, a native of Knoxville, Tenn., who makes his home at 212 Major Ave., Arroyo, N. Y.

The Navy communiqué said: "South Pacific: (All dates are east longitude.)

"1. On the night of June 29 - 30, Avenger torpedo bombers and Dauntless dive bombers attacked the air field, the stores and camp areas at Vila, Kolombangara island.

"2. On June 30th: (A) A formation of Mitchell medium bombers, Dauntless dive bombers and Avenger torpedo bombers attacked Japanese defensive positions and camp area at Munda, New Georgia island. A large fire was started. (B) Commencing in the early forenoon and continuing until late afternoon, an estimated total of 110 Japanese planes comprising Zero fighters, Mitsubishi medium bombers and other types attacked at intervals U. S. naval forces during the landing at Rendova island, New Georgia group. United States surface units and air forces were made."

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